

Norwegian Financial Mechanism – Romania

MEMORANDUM OF UNDERSTANDING  
ON THE IMPLEMENTATION OF THE NORWEGIAN FINANCIAL MECHANISM  
2009-2014

between

THE KINGDOM OF NORWAY,  
hereinafter referred to as "Norway"

and

THE GOVERNMENT OF ROMANIA,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties",

WHEREAS the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 establishes a financial mechanism (hereinafter referred to as the "Norwegian Financial Mechanism 2009-2014") through which Norway will contribute to the reduction of economic and social disparities in the European Economic Area;

WHEREAS the Norwegian Financial Mechanism 2009-2014 aims to strengthen relations between Norway and the Beneficiary State to the mutual benefit of their peoples;

WHEREAS the enhanced co-operation between Norway and the Beneficiary State will contribute to securing a stable, peaceful and prosperous Europe, based on good governance, democratic institutions, the rule of law, respect for human rights and sustainable development;

WHEREAS the Parties agree to establish a framework for cooperation in order to ensure the effective implementation of the Norwegian Financial Mechanism 2009-2014;

HAVE AGREED on the following:

#### **Article 1 Objectives**

1. The overall objectives of the Norwegian Financial Mechanism 2009-2014 are to contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of bilateral relations between Norway and the Beneficiary States through financial contributions in the priority sectors listed in paragraph 2. Accordingly, the Parties to this Memorandum of Understanding shall endeavour to select for funding programmes that contribute to the achievement of these objectives.

2. The financial contributions shall be available in the following priority sectors:

- (a) Carbon capture and storage;
- (b) Green industry innovation;
- (c) Research and scholarship;
- (d) Human and social development;
- (e) Justice and home affairs;
- (f) Promotion of decent work and tripartite dialogue.

#### **Article 2 Legal Framework**

This Memorandum of Understanding shall be read in conjunction with the following documents which, together with this Memorandum of Understanding, constitute the legal framework of the Norwegian Financial Mechanism 2009-2014:

- (a) the Agreement between the Kingdom of Norway and the European Union on the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as "the Agreement");
- (b) the Regulation on the Implementation of the Norwegian Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by Norway in accordance with Article 8.8 of the Agreement;

- (c) the programme agreements that will be concluded for each programme; and
- (d) any guidelines adopted by the Norwegian Ministry of Foreign Affairs (NMFA) in accordance with the Regulation.

**Article 3**  
**Financial Framework**

1. In accordance with Article 2 of the Agreement, the total amount of the financial contribution is € 800 million in annual tranches of € 160 million over the period running from 1 May 2009 to 30 April 2014, inclusive.
2. In accordance with Article 5 of the Agreement, a total of € 115,200,000 shall be made available to the Beneficiary State over the period referred to in Paragraph 1.
3. In accordance with Article 8.7 of the Agreement and Article 1.8 of the Regulation, the management costs of Norway shall be covered by the overall amount referred to above. Further provisions to this effect are set out in the Regulation. The net amount of the allocation to be made available to the Beneficiary State is € 106,560,000.

**Article 4**  
**Roles and responsibilities**

1. Norway shall make funds available in support of eligible programmes proposed by the Beneficiary State and agreed on by the NMFA within the priority sectors listed in Article 3 of the Agreement and the programme areas identified in Annex B of this Memorandum of Understanding. Norway and the Beneficiary State may consult on possible and specific programmes before a formal programme proposal is submitted to the NMFA.
2. The Beneficiary State shall assure the full co-financing of programmes that benefit from support from the Norwegian Financial Mechanism 2009-2014 in accordance with Annex B and the programme agreements.
3. The NMFA shall manage the Norwegian Financial Mechanism 2009-2014 and take decisions on the granting of financial assistance in accordance with the Regulation.
4. The NMFA shall be assisted by the Financial Mechanism Office (hereinafter referred to as the "FMO"). The FMO shall be responsible for the day-to-day operations of the Norwegian Financial Mechanism 2009-2014 and shall serve as a contact point.

**Article 5**  
**Designation of authorities**

The Beneficiary State has authorised a National Focal Point to act on its behalf. The National Focal Point shall have the overall responsibility for reaching the objectives of the Norwegian Financial Mechanism 2009-2014 as well as for the implementation of the Norwegian Financial Mechanism 2009-2014 in the Beneficiary State in accordance with the Regulation. In accordance with Article 4.2 of the Regulation, the National Focal Point, the Certifying Authority, the Audit Authority, and an appropriate national entity responsible for the preparation and submission of irregularities reports are designated in Annex A.

**Article 6**  
**Multi-annual Programming Framework**

1. In accordance with Article 2.1 of the Regulation, the Parties have agreed on an implementation framework consisting of the following financial and substantive parameters:
  - (a) a list of agreed programme areas, the financial contribution from the Norwegian Financial Mechanism 2009-2014 by programme area;
  - (b) identification of programmes, their main focus and outcomes, as appropriate, as well as any specific concerns relating to target groups, geographical areas or other issues;
  - (c) identification of programme operators, if appropriate;
  - (d) initiatives to strengthening the bilateral relations between Norway and the Beneficiary State, including the identification of programme areas in which donor partnership programmes as referred to in Article 3.2 shall be prepared, the designation of donor programme partners, the allocation of funds for such programmes, and programmes, or component thereof, that are dedicated exclusively to donor partnership projects;
  - (e) in specific cases, the identification of pre-defined projects to be included in relevant programmes;
  - (f) identification of small grant schemes, as appropriate.
2. The implementation framework is outlined in Annex B.

**Article 7**  
**Annual meetings**

In accordance with Article 2.3 of the Regulation an annual meeting shall be held between the NMFA and the National Focal Point. The annual meeting shall allow the NMFA and the National Focal Point to examine progress achieved over the previous reporting period and agree on any necessary measures to be taken.

**Article 8**  
**Modification of the annexes**

1. Annex A may be subject to review at the annual meetings. Amendments to Annex A agreed upon at the annual meetings do not require a formal change to this Memorandum of Understanding. Such amendments shall be confirmed through an exchange of letters between the NMFA and the National Focal Point.
2. Annex B may be changed through an exchange of letters between the NMFA and the National Focal Point.

**Article 9**  
**Control and Access to Information**

The NMFA, the Office of the Auditor General of Norway and their representatives have the right to carry out any technical or financial mission or review they consider necessary to follow the planning, implementation and monitoring of programmes and projects as well as the use of funds. The Beneficiary State shall provide all necessary assistance, information and documentation.

**Article 10  
Governing Principles**

1. The implementation of this Memorandum of Understanding shall in all aspects be governed by the Regulation and subsequent amendments thereof.
2. The objectives of the Norwegian Financial Mechanism 2009-2014 shall be pursued in the framework of close co-operation between Norway and the Beneficiary State. The Parties agree to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities in all implementation phases of the Norwegian Financial Mechanism 2009-2014.
3. The Beneficiary State shall take proactive steps in order to ensure adherence to these principles at all levels involved in the implementation of the Norwegian Financial Mechanism 2009-2014.

**Article 11  
Entry into Force**

This Memorandum of Understanding shall enter into force on the day after the date of its last signature.

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This Memorandum of Understanding is signed in two originals in the English Language.

Signed in ..... on .....

Signed in ..... on .....

For the Kingdom of Norway

For the Government of Romania,

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## **National management and control structures**

### **1. National Focal Point**

The National Focal Point shall be located within the General Directorate for Nonreimbursable Financial Mechanisms and Instruments within the Ministry of European Funds.

The General Directorate for Nonreimbursable Financial Mechanisms and Instruments is a structure within the Ministry of European Funds, under the direction of a Secretary of State. It includes two units which are dedicated exclusively to the coordination and implementation of the EEA and Norwegian Financial Mechanisms. These are the EEA and Norwegian Grants Programming and Implementation Unit and the EEA and Norwegian Grants Financial Unit. These two units shall act as the National Focal Point.

The Deputy Director General of the General Directorate for Nonreimbursable Financial Mechanisms and Instruments shall act as the head of the National Focal Point.

The roles and responsibilities of the National Focal Point are stipulated in the Regulation, in particular Article 4.3 thereof.

### **2. Certifying Authority**

The Certifying and Paying Authority (CPA) set up as General Directorate under the coordination of a Secretary of State within the Ministry of Public Finance shall act as the Certifying Authority.

The Certifying and Paying Authority acts as the executive body of the National Authorising Officer (NAO) for EU pre-accession funds, Certifying and Paying Authority for the Structural and Cohesion Funds and Paying Authority for the EEA Grants 2004-2009.

The Certifying and Paying Authority is mainly responsible for certifying the amounts contained in the statements of expenditure submitted to the European Commission/Financial Mechanism Office and receiving the funds transferred to Romania from structural instruments/pre-accession funds/other non reimbursable funds, including the EEA Grants 2004-2009.

The General Director of the Certifying and Paying Authority within the Ministry of Public Finance shall act as the head of the Certifying Authority.

The roles and responsibilities of the Certifying Authority are stipulated in the Regulation, in particular Article 4.5 thereof.

### **3. Audit Authority**

The Central Harmonization Unit for Public Internal Audit (CHUPIA), set up as general directorate within the Ministry of Public Finance, directly subordinated to the Minister of Public Finance, shall act as Audit Authority.

The General Director of the CHUPIA shall act as the head of the Audit Authority.

The roles and responsibilities of the Audit Authority are stipulated in the Regulation, in particular Article 4.6 thereof.

The Audit Authority is functionally independent of the National Focal Point and the Certifying Authority.

**4. National public entity responsible for the preparation and submission of irregularities reports**

The Certifying and Paying Authority (CPA) set up as General Directorate under the coordination of a Secretary of State within the Ministry of Public Finance shall be responsible for the preparation and submission of irregularities reports.

The roles and responsibilities of the Certifying and Paying Authority in relation to irregularities are stipulated in the Regulation, in particular Article 11.3 thereof.

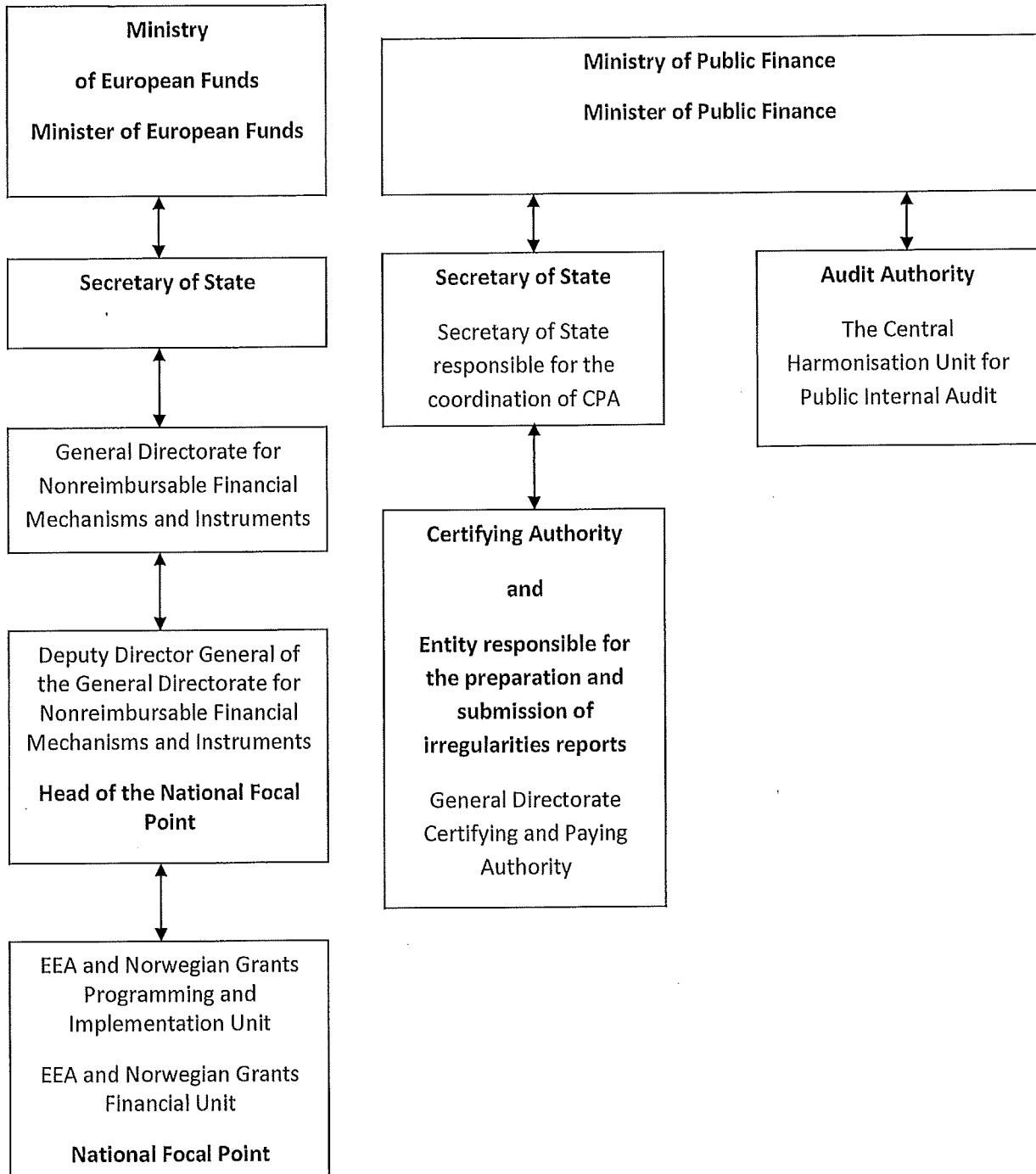
**5. Monitoring Committee**

The Monitoring Committee shall be established within six months of the signing of the Memorandum of Understanding. Its role is stipulated in the Regulation, in particular Article 4.4 thereof.

**6. Strategic Report and annual programme reports**

In accordance with Article 2.2 of the Regulation, the National Focal Point shall annually submit to the FMC a Strategic Report on the implementation of the EEA Financial Mechanism 2009-2014 in the Beneficiary State. The Parties shall endeavour to hold the annual meeting in the month of June every year.

7. Organigram





## Implementation framework

In accordance with Article 2.1 of the Regulation, the Parties to this Memorandum of Understanding have agreed on an implementation framework outlined in this annex.

### 1. Financial parameters of the implementation framework

<b>Romania</b>	<b>Norwegian FM contribution</b>
<b>Programme area</b>	
Poverty Alleviation programme (Programme Area to be confirmed)	€ 20,000,000
Green Industry Innovation	€ 29,700,000
Global fund for Decent Work and Tripartite Dialogue	€ 1,152,000
Capacity-Building and Institutional Cooperation between Beneficiary State and Norwegian Public Institutions, Local and Regional Authorities	€ 6,000,000
Public Health Initiatives	€ 22,604,000
Domestic and Gender-Based Violence	€ 4,000,000
Schengen Cooperation and Combating Cross-Border and Organised Crime, including Trafficking and Itinerant Criminal Groups	€ 5,300,000
Judicial Capacity-Building and Cooperation	€ 8,000,000
Correctional Services, including Non-Custodial Sanctions	€ 8,000,000
<b>Other allocations</b>	
Technical assistance to the Beneficiary State (Art. 1.9)	€ 1,228,000
Fund for bilateral relations at national level (Art. 3.5.1)	€ 576,000
<b>Net allocation to Romania</b>	<b>€ 106,560,000</b>

### 2. Substantive parameters of the implementation framework

Bilateral relations between Norway and Romania shall be strengthened with the aim of stimulating long term cooperation in the programme areas listed below with the donor state programme partners, as well as through other means such as partnership at the project level in all the programme areas supported.

The appraisal of the Programme proposals will take due account of the relevant human rights and governance related standards of the Council of Europe (such as those monitored by the CPT, GRECO, GRETA, ECRI etc.), including the Convention for the Protection of Human Rights and Fundamental Freedoms

The Parties to this Memorandum agree that an indicative target of at least 10% of the total funding for relevant Programme areas under the Norwegian Financial Mechanism 2009-14 shall target the improvement of the situation for the Roma population. The relevant Programme areas are: Public Health Initiatives; Domestic and Gender-based Violence, Schengen Cooperation and Combating Cross-border and Organised Crime including Trafficking and Itinerant Criminal Groups, Judicial Capacity-building and Cooperation and Correctional Services, including Non-custodial Sanctions. The parties shall agree after consultation how to reach this target in the relevant Programme areas.

### 3. Substantive parameters of the implementation framework

The programmes described below are to be prepared and, subject to NMFA approval, implemented in the Beneficiary State.

The Programme Operator shall, where relevant in cooperation with the Donor Programme Partner, strive to focus the Programmes further during the programming phase.

The Donors will specifically assess the capacity of the Programme Operators agreed during the appraisal of the programme proposals.

#### A. Programme Area: *To be confirmed, within Priority Sector Human and Social Development*

<i>Programme:</i>	Poverty Alleviation
<i>Objective:</i>	<i>To be confirmed</i>
<i>Expected outcomes:</i>	<i>To be confirmed</i>
<i>Programme grant:</i>	€ 20,000,000
<i>Programme Operator:</i>	The Financial Mechanisms Office (FMO) is entrusted with operation the programme in line with Article 5.13 of the Regulation.
<i>Pre-defined project:</i>	The programme will be implemented through pre-defined projects only. The pre-defined projects are to be confirmed.

#### B. Programme Area: Green Industry Innovation

<i>Programme:</i>	Green Industry Innovation
<i>Objective:</i>	Increased competitiveness of green enterprises, including greening of the existing industries, green innovation and green entrepreneurship
<i>Expected outcomes:</i>	Realisation of business opportunities of greening the European economy
<i>Programme grant:</i>	€ 29,700,000
<i>Programme Operator:</i>	Innovation Norway (IN)
<i>Specific concern:</i>	The programme operator shall consult and cooperate with the Ministry of Economy in developing the programme

#### C. Programme Area: Decent Work and Tripartite Dialogue

<i>Programme:</i>	Decent Work and Tripartite Dialogue
<i>Objective:</i>	Decent work promoted and tripartite cooperation improved between employers' organisations, trade unions and public authorities in supporting equitable and sustainable economic and social development
<i>Programme grant:</i>	€ 1,152,000
<i>Programme Operator:</i>	Innovation Norway (IN)

**D. Programme Area: Capacity-building and Institutional Cooperation between Romanian and Norwegian Public Institutions, Local and Regional Authorities**

<i>Programme:</i>	Capacity-building and Institutional Cooperation between Romanian and Norwegian Public Institutions, Local and Regional Authorities
<i>Objective:</i>	Strengthen institutional capacity and human resource development in public institutions, local and regional authorities in the Romania within agreed priority sectors through cooperation and transfer of knowledge with similar institutions and authorities in Norway
<i>Programme grant:</i>	€ 6,000,000
<i>Programme Operator:</i>	The National Focal Point
<i>Donor programme partners:</i>	The Norwegian Radiation Protection Authority (Statens Strålevern)
<i>Pre-defined project[s]:</i>	<p>Pre-defined project with the Norwegian Radiation Protection Authority (Statens Strålevern) and the Romanian National Commission for Nuclear Activities Control (CNCAN) shall be included in the Programme</p> <p>Pre-defined project by the Romanian National Agency for Fiscal Administration (NAFA), the Romanian General Secretariat of the Government (GSG) and the Norwegian Tax Administration (Skatteetaten)</p> <p>Possible pre-defined project on integrity in the management of structural and other public funds at the level of the Ministry of Regional Development and Public Administration. The total allocation from the Norwegian Financial Mechanism 2009-14 to this project shall not exceed € 1,000,000. The project shall be implemented in cooperation with a Norwegian project partner and the project promoter and partner shall be public institutions.</p>

**E. Programme Area: Public Health Initiatives**

<i>Programme:</i>	Public Health Initiatives
<i>Objective:</i>	Improved public health and reduced health inequalities
<i>Expected outcomes:</i>	<p>Improved prevention and treatment of communicable diseases (including HIV/AIDS and TB)</p> <p>Developed resources for all levels of health care</p> <p>Life-style-related diseases prevented or reduced</p>
<i>Programme grant:</i>	€ 22,604,000
<i>Programme Operator:</i>	The Ministry of Health
<i>Specific concerns:</i>	The programme should focus on primary healthcare including healthcare for children and elderly.

The Programme shall address the specific needs of minority groups, with a specific focus on Roma.

The Programme should strengthen primary health care in terms of quantity and quality.

**F. Programme Area: Domestic and Gender-based Violence**

<i>Programme:</i>	Domestic and Gender-based Violence
<i>Objective:</i>	Gender-based violence prevented and tackled
<i>Expected outcomes:</i>	Domestic violence reduced Victims of trafficking supported
<i>Programme grant:</i>	€ 4,000,000
<i>Programme Operator:</i>	The Ministry of Justice
<i>Donor programme partners:</i>	Council of Europe (CoE) and the Norwegian Police Directorate (POD)
<i>Main focus:</i>	The programme's main focus is to reduce the gender based violence in Romania and support the victims of trafficking
<i>Specific concern:</i>	The cooperation committee shall include as members, representatives from the relevant public authorities or institutions in charge of the policy area in question. The Ministry of Internal Affairs shall be one such member of the cooperation committee.

**G. Programme area: Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups**

<i>Programme:</i>	Schengen Cooperation and Combating Cross-border and Organised Crime, including Trafficking and Itinerant Criminal Groups
<i>Objective:</i>	Increased citizen's security through improvement of the efficiency of cooperation between law enforcement authorities in the Schengen Member States in fighting organised crime, including trafficking in human being
<i>Expected outcomes:</i>	Strengthening of the cooperation between the police in the Schengen Member States. Improved capacity to prevent and combat cross-border and organized crime, including trafficking in human beings and itinerant criminal groups
<i>Programme grant:</i>	€ 5,300,000
<i>Programme Operator:</i>	The Ministry of Internal Affairs
<i>Donor programme partner:</i>	The Norwegian Police Directorate (POD)
<i>Pre-defined project:</i>	A pre-defined project with the Norwegian Police Directorate (POD) should be included. The project should focus on combating cross-border activities and organised crime.

**H. Programme area: Judicial Capacity-building and Cooperation**

<i>Programme:</i>	Judicial Capacity-building and Cooperation
<i>Objective:</i>	A fairer and more efficient judicial system
<i>Expected outcomes:</i>	Improved efficiency of the court systems, including the development of systems for case handling Increased competence of actors within the judiciary Improved access to justice, including for vulnerable persons (e.g. victims, minors, minorities)
<i>Programme grant:</i>	€ 8,000,000
<i>Programme Operator:</i>	The Ministry of Justice
<i>Donor programme partners:</i>	The Norwegian Court Administration (DA) and the Council of Europe (CoE)
<i>Specific concern:</i>	The programme shall include support to increasing the capacity of the Romanian judiciary for a better implementation of the New Judicial Codes

**I. Programme area: Correctional Services, including Non-custodial Sanctions**

<i>Programme:</i>	Correctional Services, including Non-custodial Sanctions
<i>Objective:</i>	Improved correctional services systems in compliance with relevant international human rights instruments
<i>Expected outcomes:</i>	Overcome challenges connected to growing prison populations and prison overcrowding Increased application of alternatives to prison Increased focus on vulnerable groups in prison Improved competences of both inmates, prison and probation staff
<i>Programme grant:</i>	€ 8,000,000
<i>Programme Operator:</i>	The Ministry of Justice
<i>Donor programme partner:</i>	The Norwegian Correctional Services (KSF)
<i>Main focus:</i>	The programme's main focus is to increase the efficiency of the Romanian penitentiary and probation systems.
<i>Specific concern:</i>	Specific concern shall be given to juvenile offenders.